



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

**Date:** 9/8/2005

**GAIN Report Number:** AU5020

## Austria

### Organic Products

### Sales of Organic Products Up 2005

**Approved by:**

Sarah Hanson  
U.S. Embassy

**Prepared by:**

Dr. Roswitha Krautgartner

---

**Report Highlights:**

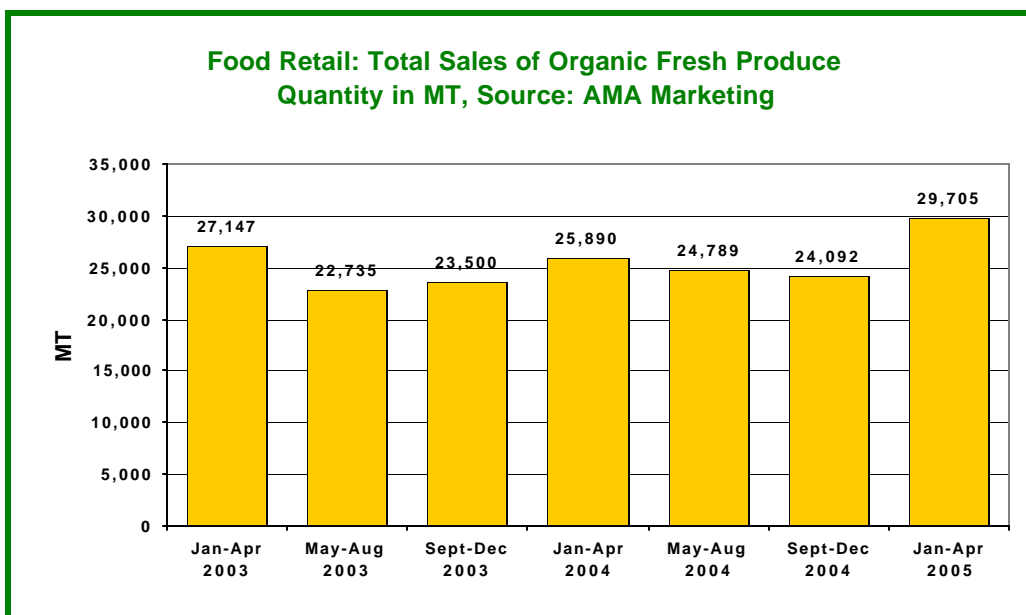
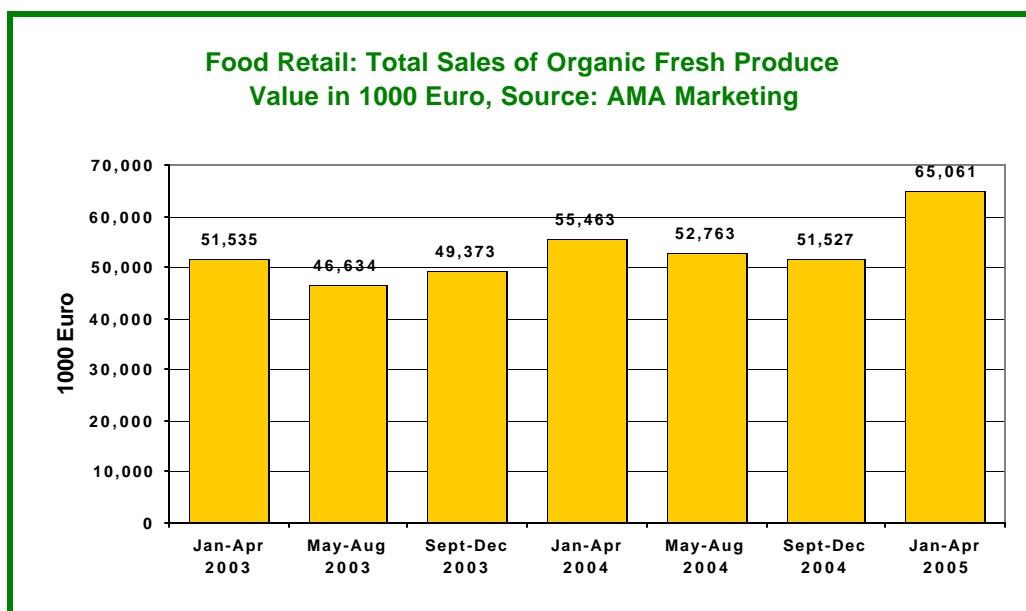
During the first four months of 2005, Austrian food retailers experienced an all time high for organic product sales in terms of value and quantity. Organic fresh produce sales totaled Euro 65.1 million (\$85.4 million), a 17.3% increase compared to the same period last year. Per capita expenditures for organics were up by 15.3%. Organic product sales have been on a steady increase for several years. In 2004, total organic fresh produce sales amounted to Euro 159.8 million (\$209.7 million). There are good market opportunities for U.S. organic dried fruits and nuts. U.S. exporters should work through Austrian importers for import permits.

---

Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Vienna [AU1]  
[AU]

### Sales of Organic Fresh Produce – at an 'All Time High'

During the first four months of 2005, Austrian food retailers experienced an all time high for organic product sales in terms of value and quantity. The recent RollAMA study conducted by the Austrian marketing organization "AMA Marketing" found record sales of organic fresh produce. In the first trimester of 2005, the organic food sector sold Euro 65.1 million (\$85.4 million) worth of fresh produce. This is an increase of 17.3% compared to the same period last year. Quantities were also higher in the first trimester and accounted for 29,705 MT (plus 14.7%). The development of organic sales in Austria is a steadily upward one. In 2004, total organic fresh produce sales amounted to Euro 159.8 million (\$209.7 million). Compared to 2003 (Euro 147,5 million - \$ 193.5 million) that means an increase of 8.3%. 5.2% of total food retail sales consist of organic products. See the following charts.



## Growth Sectors

Since 2002, the organic share of the fresh milk sector leveled off at 11% quantity-wise, and no further expansion is expected. However, the dairy products sector shows a positive trend, and organic yogurt containing fruits showed an increase from 6% to 10% of total yogurt sales from 2002 to present.

The organic meat sector is still at a low level but showing a rising trend. This is due to the numerous marketing initiatives especially for organic beef. Other commodities like cheese, ham and sausages, or fresh vegetables are at a fairly stable level. The demand for potatoes remained stable, but sales by value are steadily rising.

The biggest gains by value and quantity can be found in the egg sector. In 2002, only 6.6% of all sold eggs were organic. In the first four months of 2005, this share climbed up to 16.5%. This translates to an increase from 8.2% to 23.7% in terms of value for the same period.

## Milk and Milk Products are Austrian Organic Favorites

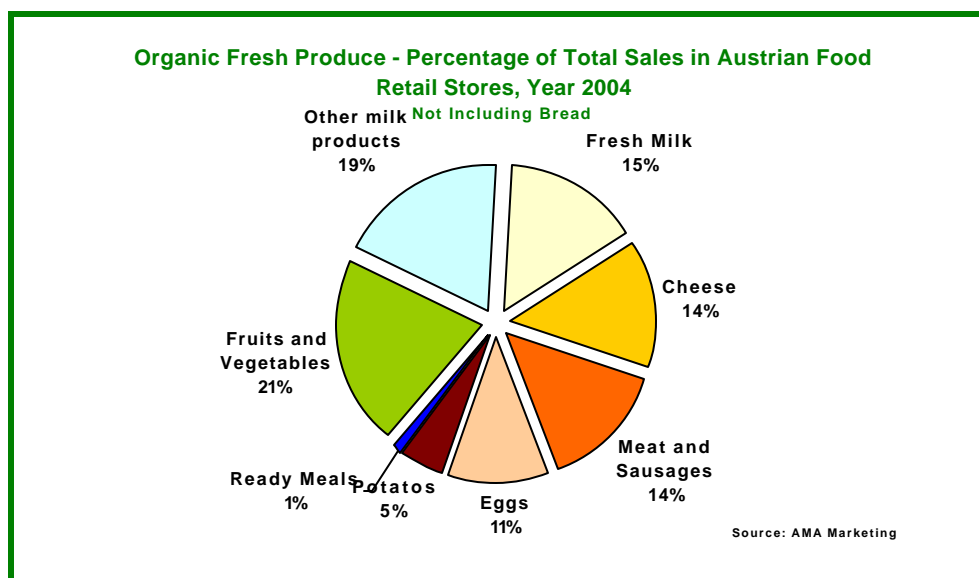
In 2004, the milk and dairy products sector was by far the biggest organic fresh produce group. Fresh milk accounted for 15% of total organic sales, cheese accounted for 14%, and other dairy products amounted to 19% of total organic sales. Fruits and vegetables with 21% of total organic sales, meat and sausages with 14%, eggs with 11%, and potatoes with 5% followed the dairy sector.

## Average per Capita Expenditure on Organics – Euro 35.9 (\$ 47.1) per year

The average per capita expenditure on organics rose from Euro 30.4 (\$ 39.9) (May 2003 to April 2004) to Euro 35.9 (\$ 47.1) in 2005 (May 2004 to April 2005). Consumers in the province Salzburg spent the most money on organics (Euro 53.7 per capita/year - \$ 70.5), followed by consumers in the province Styria (Euro 54.8 per capita/year). In all provinces, per capita expenditures on organics increased.

## Younger Consumers Prefer Organic

The study also showed that the age of consumers who prefer organic products is significantly lower than the age of consumers who prefer conventional products. This could be found for all commodities.



### Prices Fairly Stable

Prices have not changed much compared to last year. Only some products reached a marginally higher price. Some commodities like apples, carrots, and onions became even cheaper. The price difference compared to corresponding conventional products varies depending on the commodity. On average, the price difference for dairy products is the least, whereas the price difference for meat, carrots, apples, and potatoes is higher.

Prices Organics	Price per kg in Euro Jan-Apr 2005	Price compared to Jan-Apr 2004 in %	Price compared to conventional product in %
Fresh Milk	0.93	+ 5.7	+ 14.3
Yogurt with Fruits Admixture	2.45	- 6.9	+ 8.4
Butter	6.13	+ 1.3	+ 29.0
Cheese	9.58	+ 6.8	+ 32.9
Meat & Poultry	8.02	+ 3.4	+ 54.7
Beef	9.59	+ 2.45	+ 32.9
Broiler	6.89	+ 2.29	+ 77.6
Sausages & Ham	10.65	+ 4.9	+ 34.1
Fresh Fruits	1.68	- 15.2	+ 43.9
Apples	1.84	- 4.22	+ 103.7
Lemons	1.24	- 43.92	- 13.3
Bananas	1.91	- 2.79	+ 52.9
Perishable Vegetables	1.66	- 2.9	- 9.3
Carrots	1.05	- 8.03	+ 81.7
Onions	1.13	- 4.29	+ 79.0
Potatoes	0.98	- 8.7	+ 93.9
Eggs	4.20	+ 12.4	+ 57.7

**Import Procedure for Organic Products**

U.S. exporters seeking to export directly to Austria should ask an Austrian importer to apply for import permits. The permits are issued by provincial governments and authorize the importer to import and sell organic products from the United States. The application has to be accompanied by documentation on the equivalency of standards and control measures. The producer and the exporter will have to be certified in accordance with EC procedures, which has to be done in co-operation with an accredited certification body.

For more information on Austria's organic market, see GAINS report AU3008.

Exchange Rate, first quarter 2005: 1 Euro = 1.312 US\$